




**Commonwealth of Massachusetts**  
**Executive Office of Health and Human Services**  
**Office of Medicaid**  
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Eligibility Operations Memo 05-02  
January 1, 2005

TO: MassHealth Eligibility Operations Staff

FROM: Russ Kulp, Deputy Director, MassHealth Operations 

RE: **2005 Social Security Benefit Cost-of-Living Adjustment (COLA) for MassHealth Health Care Reform Cases on MA21**

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**Introduction** Effective January 1, 2005, a Social Security cost-of-living adjustment (COLA) will increase monthly Social Security benefits for Retirement/Survivors/Disability Insurance (RSDI) beneficiaries by **2.7%**. The new monthly Social Security RSDI benefit amounts are currently available through the SVES inquiry, and will be available through BENDEX inquiry as of January 1, 2005.

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**COLA Protection for Persons Who Were MassHealth Members on December 31, 2004** MassHealth regulations at 130 CMR 506.008 state, "Members whose income increases each January as the result of a COLA remain eligible until the subsequent federal-poverty-level adjustment." This adjustment occurs annually in April. Therefore, when determining financial eligibility, regardless of the reason, from January 1 until the new federal-poverty-levels (FPLs) are implemented in April 2005, use the 2004 Social Security RSDI benefit amounts to determine continued financial eligibility. These amounts are found on the SVES, SSA Request Entry/Review screen by displaying the benefit history. **An alert message will be placed on the BENDEX Inquiry screen indicating when the 2005 COLA amounts are being displayed.**

This procedure applies to Social Security RSDI beneficiaries who were MassHealth members on December 31, 2004.

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**Approvals On or After January 1, 2005** The financial eligibility of RSDI beneficiaries who become MassHealth members on or after January 1, 2005, is based on the 2005 Social Security RSDI benefit amounts.

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**Questions** Please direct any questions about the information in this memo to the MassHealth Policy Hotline through the designee at your enrollment center.

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